

**Resolution #TC-3010**

Disposal of the CDOT-Owned FREX buses

**Approved by the Transportation Commission of Colorado on: August 16, 2012**

WHEREAS, Pursuant to 43-4-206(VII)(2)(a)(I) CRS, the Department received approval and funding for implementation of Senate Bill 97-001 Strategic Transit Project Funds from the Colorado Legislature and its Joint Budget Committee; and

WHEREAS, the Transportation Commission of Colorado solicited and reviewed project applications in accordance with established program criteria and determined which entities' projects would be most appropriate for funding; and

WHEREAS, the Commission approved a list of strategic transit projects by Resolution Number TC-1455; and

WHEREAS, the City of Colorado Springs (City) submitted a funding application to carry out a strategic transit project, hereinafter referred to as the Project, and that Project was included on the list of strategic projects approved by the Commission; and

WHEREAS, Senate Bill 97-001 funds were provided to the City for the Project by the State by means of IGA 07-HTD-00103, which consisted of the purchase of nineteen, transit coaches for use only for the Front Range Express (FREX) bus service; and

WHEREAS, by means of Resolution # 1803 on December 16, 2009, the Commission allowed the City to sell up to nine transit coaches, with the condition that the City relinquish to the State its 20% Local Share interest in the ten remaining transit coaches and that the City continue operating the remaining ten transit coaches for its FREX service; and

WHEREAS, the City has informed the Department of its intent to terminate the FREX service as of August 31, 2012, and return the ten buses to the Department after the City has decommissioned the buses; and

WHEREAS, the Department does not wish to operate or retain ownership of the buses given the liabilities associated with such ownership; and

WHEREAS, the Department has determined there is a need for the ten transit coaches to be operated by Colorado public transit operators; and

WHEREAS, the Department has determined it should make the transit coaches available to Colorado public transit operators by means of a competitive application process that establishes certain priorities for award of the transit coaches in order to ensure they are awarded to organizations that are considered most likely to make the best and most appropriate use of them; and

WHEREAS, the transit coaches are identical in age and very similar in terms of condition and mileage, and it would be impractical to allow Colorado public transit operators to select individual transit coaches without making them available by auction; and

WHEREAS, the Department wishes to retain its State interest in the transit coaches for their remaining useful life in order to ensure they continue to serve the public good; and

WHEREAS, the Department recognizes there is a need to establish a contingency plan for disposing of the transit coaches in the event there is not sufficient demand for them by Colorado public transit operators; and

WHEREAS, the Department wishes to dispose of the transit coaches promptly because it does not wish to assume responsibility for insuring, storing and maintaining them;

NOW THEREFORE BE IT RESOLVED, staff is hereby directed to dispose of the buses in the following manner:

- A. The Department will make the ten transit coaches available to public and private nonprofit operators of public transportation services in Colorado. They will be made available by means of a competitive application process. Applicants will be required to indicate how they intend to use the transit coaches (e.g., frequency, route) and provide evidence of match availability and approval of governing body for the purchase. The Department would reserve the right to deny an application if there was inadequate evidence of usage or match.
- B. If more than ten coaches are requested, The Department will make selections based on the following criteria:
  - 1) Higher priority would be given to buses that would be used for interregional, regional or statewide service.
  - 2) Higher priority would be given to requests to replace rolling stock that is at or beyond its minimum useful life; requests to use a bus(es) for expansion of services would be given a slightly lower priority; requests to use a bus(es) as a spare would be given the lowest priority, all things considered.
  - 3) Higher priority would be given to those demonstrating need for the services to be operated and the availability of funds to operate the service provided by the bus(es) until the minimum useful life has expired.
  - 4) An equitable and reasonable geographical distribution of the buses may also be considered.
- C. The individual buses will be awarded by lottery. That is, transit providers will not be allowed to select a specific bus(es), unless there is mutual agreement on selection by CDOT and all of the awarded transit providers.
- D. The Department will maintain an interest in the buses for their remaining useful life. The Department will allow the Local Agency to take title to each bus(es) but will place a lien on the buses for their remaining useful life, take physical possession of the titles, and execute an agreement with the Local Agency that sets forth general requirements and expectations.
- E. The Department will require payment of a 20% cash match based on the residual value of each of the buses. That value is estimated to be \$140,000.

The Department will make clear that the transit coaches will be delivered "as-is" and that local agencies awarded the buses are responsible for re-painting them and making any necessary repairs.

- F. If DTR does not receive qualified, bona fide requests for all ten transit coaches, it will offer the remaining coaches for sale on the open market nationally, selling to the highest bidders, but not accepting any bid that is 20% or more below the estimated residual value.
- G. The Department will work with the City of Colorado Springs to ensure the City properly decommissions the transit coaches, makes them available for viewing by interested providers, and provides adequate liability insurance during the time the transit coaches are in the City's possession.

Herman F. Stockinger  
Herman Stockinger, Secretary  
Transportation Commission of Colorado

8-22-12  
Date